

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W.R. GRACE & CO., <i>et al.</i>, Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
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**FEE AUDITOR'S FINAL REPORT REGARDING QUARTERLY INTERIM
FEE APPLICATION OF ORRICK, HERRINGTON & SUTCLIFFE LLP FOR
FOR THE PERIOD OF OCTOBER 1, 2012, THROUGH DECEMBER 30, 2012**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Quarterly Interim Fee Application of Orrick, Herrington & Sutcliffe LLP for the Period of October 1, 2012, through December 31, 2012 (the "Application").

BACKGROUND

1. Orrick, Herrington & Sutcliffe LLP ("Orrick") was retained as bankruptcy counsel to David T. Austern, Future Claimants' Representative. In the Application, Orrick seeks approval of fees totaling \$382,951.50 and expenses totaling \$4,642.92 for its services from October 1, 2012, through December 31, 2012 (the "Application Period").

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2013, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C.

§330, Issued January 30, 1996 (the "U.S. Trustee Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served an initial report on Orrick based upon our review, and we received a response from Orrick, portions of which response are quoted herein.

DISCUSSION

General Issues

3. We noted that the expense detail was missing from Orrick's Application. Orrick supplied its expense detail in response to our request. See Response Exhibit A. Our questions concerning Orrick's expenses are addressed in the following paragraphs.

Specific Expense Entries

4. We noted the following travel expense for which more information was needed:

10/10/2012	Travel Expense, Out of Town	Wyron, Richard	\$131.23	VENDOR: Wyron, Richard H.; Invoice #: 101712; Date: 10/25/2012 - dc/dd/s#159186/myp - attd Trust mtg in NY 10/10-11/12
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In response to our inquiry, Orrick provided the following information concerning this expense:

10/10/2012 - \$131.23 – Richard Wyron. This amount is the portion allocated to the W. R. Grace case for hotel charges, taxis, parking and mileage (totaling \$949.92) incurred in connection with travel to NY for a meeting of FCRs and their counsel. Travel expenses for this trip were allocated among the Grace case (15%) and five other matters.

Orrick subsequently provided the following additional information:

As requested, below is an itemization of the travel expense in the amount of \$949.72.

Hotel – Omni Berkshire Place in NY (Note: \$619 per night room rate)	\$713.81
Meals – 1 person in NY	
Dinner – 10/10/12	\$42.93
Breakfast – 10/11/12	\$8.25
Lunch – 10/11/12	\$10.14
Dinner – 10/11/12	\$13.54
Mileage to and from Airport	\$26.05
Parking at Airport	\$72.00
Taxi from Airport to Meetings	\$55.00
Tips	\$8.00
Total	\$949.72
15% allocated to Grace (Note: The allocation represents \$11.23 for meals and \$131.23 for other travel)	\$142.46

We have no objection to any of the items listed, with the exception of the \$619.00 nightly room rate at the Omni Berkshire Place Hotel in New York City. This rate exceeds our \$525.00 recommended “trigger rate” for New York City by \$94.00. As the Omni Berkshire Place is a “luxury” hotel,¹ we asked Orrick if it would agree to accept a \$14.10² reduction for the room rate portion of this expense, to which reduction Orrick agreed. We appreciate Orrick’s cooperation and recommend a reduction

¹The Omni Berkshire Place Hotel in New York City is rated 4 ½ stars on the Expedia travel website.

²Since only 15% of this expense was billed to the W. R. Grace estate, we recommend that reimbursement of the expense be reduced by 15% of \$94.00, or \$14.10.

of \$14.10 in expenses.

5. We noted the following air fare charges for which more information was needed:

10/8/2012	Travel Expense, Air Fare	Wyron, Richard	\$759.02	VENDOR: American Express; Invoice#: 102512; Date: 10/25/2012 - FIRM / PK S#160106 LAWYERS TRAVEL CHARGE ACCT #3XXX- X708-11008
11/20/2012	Travel Expense, Air Fare	Wyron, Richard	\$759.02	VENDOR: American Express; INVOICE#: 112512; DATE: 11/25/2012 - FIRM / PK S#161465 LAWYERS TRAVEL

In response to our inquiry, Orrick provided the following information:

- a. 10/08/12 – \$759.02 – Richard Wyron. This charge is for a round-trip coach air fare to NY for the meeting referred to in paragraph 4.a. above. This charge similarly should have been allocated 15% to Grace and the balance to other matters. We will reduce our expenses for this item by 85% of this charge, for a reduction of \$645.17.
- b. 11/20/12 – \$759.02 – Richard Wyron. This charge is for a round-trip coach air fare to NY that was cancelled. The amount of this fare, less the non-refundable \$38 booking fee, was refunded and was credited against expenses on our January 2013 fee statement.

We appreciate this information and, consistent with same, recommend a reduction of \$645.17 in expenses.³

6. We noted the following expense for which more information was needed:

10/3/2012	Outside Services	Washington, DC, Office	\$161.12	VENDOR: Bloomberg Finance LP; Invoice#: 5601719377; Date: 10/3/2012 - DC / ID#159322/HR
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In response to our inquiry, Orrick provided the following information:

³We verified that Orrick gave the estate a credit of \$721.02 (for the \$759.02 fare less the \$38.00 booking fee) on its January 2013 monthly fee application.

10/03/12 - \$161.12 – Bloomberg Finance LP. This charge is for retrieval of a petition for certiorari filed with the United States Supreme Court. Please note that filings with the Supreme Court are not available on PACER.


We accept Orrick's response and have no objection to this expense.

CONCLUSION

7. Thus, we recommend approval of \$382,951.50 in fees and \$3,983.65 in expenses (\$4,642.92 minus \$659.27) for Orrick's services for the Application Period.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: 
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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 23rd day of April, 2013.


Warren H. Smith

SERVICE LIST

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